

2026 Issue 4

From January 26 to January 30

New Issuance of Chinese Offshore Bonds Increased; Return on Chinese USD Bonds Increased

Headline: Fed Keeps Rates Unchanged; China's Official Manufacturing PMI Misses Forecasts

On January 29, the Fed announced its interest rate decision, keeping rates unchanged at 3.5%-3.75%. On January 31, China announced its official manufacturing PMI at 49.3, below the expected 50.1.



Exchange Rate: RMB Appreciated; USD Index Decreased

Last week, the RMB has appreciated. As of January 30, the RMB/USD middle rate closed at 6.9678, down 251.0bp from last Friday. The USD Index closed at 96.991, down 0.61% from last Friday.

Interest Rate: Chinese Government Bond Yields Decreased; US Treasury Yields Fluctuated

Last week, China Government Bond yields decreased. The announcement of the new Fed Chair candidates triggered market volatility, US Treasury yields showed mixed movements.

Chinese Offshore Bond Market

Primary Market: New Issuance of Chinese Offshore Bonds Increased

From January 26 to January 30, Chinese enterprises issued 43 new bonds in the offshore market, totaling about USD2.865 billion, an increase of 44.93% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.576 billion in bonds.

Secondary Market: Return on Chinese USD Bonds Increased

As of January 30, the return rate of Chinese USD bonds increased by 11.0bp to 0.42% compared to last Friday, among which the return rate of investment-grade bonds increased by 9.0bp to 0.33%, while the return rate of high-yield bonds increased by 30.0bp to 1.23%.

Rating Actions: CCXAP Assigned Credit Rating to 1 Chinese Entity

On January 28, CCXAP assigns first-time long-term credit rating of A_g to China Overseas Grand Oceans Group Limited, with stable outlook.

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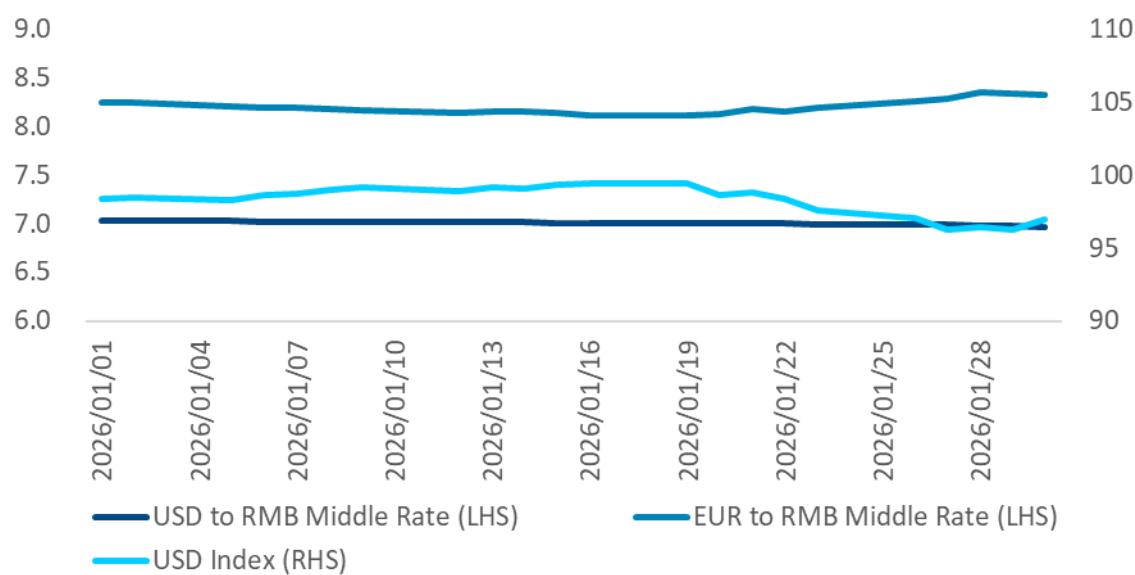
Headline: Fed keeps rates unchanged; China's official manufacturing PMI misses forecasts

On January 29, the Federal Reserve announced its interest rate decision, keeping rates unchanged at 3.5%-3.75%. The meeting statement used more optimistic language regarding the labor market compared to last month, while noting that inflation remains elevated, suggesting no urgency to act. Fed Chair nominee Waller supported another 25-basis-point rate cut. US stocks and Treasuries showed limited short-term volatility, while the US dollar edged higher briefly. During the press conference, Fed Chair Powell stated that rate hikes are not anyone's base case for the next move; inflation risks have receded somewhat, but inflation remains elevated; and he would not comment on the dollar's movements. During Powell's press conference, US stock movements remained relatively muted, the dollar retreated from its earlier intraday highs, and gold prices surged.

On January 31, China announced its official manufacturing PMI at 49.3, below the expected 50.1. By enterprise size, large enterprises recorded a PMI of 50.3%, down 0.5 percentage points from the previous month but still above the threshold; medium and small enterprises posted PMIs of 48.7% and 47.4% respectively, down 1.1 and 1.2 percentage points from the prior month, both below the threshold. Among the five sub-indices composing the manufacturing PMI, the production index and supplier delivery time index remained above the threshold, while the new orders index, raw material inventory index, and employment index all stayed below. The production index was 50.6%, down 1.1 percentage points from the previous month but still above the threshold, indicating that manufacturing production activity continued to expand. The new orders index stood at 49.2%, falling 1.6 percentage points, reflecting a slowdown in manufacturing market demand. The raw material inventory index was 47.4%, declining 0.4 percentage points, signaling a continued reduction in raw material stockpiles. The employment index registered 48.1%, down 0.1 percentage points, suggesting a slight deterioration in hiring sentiment among manufacturing firms.

Exchange Rate: RMB appreciated; USD Index decreased

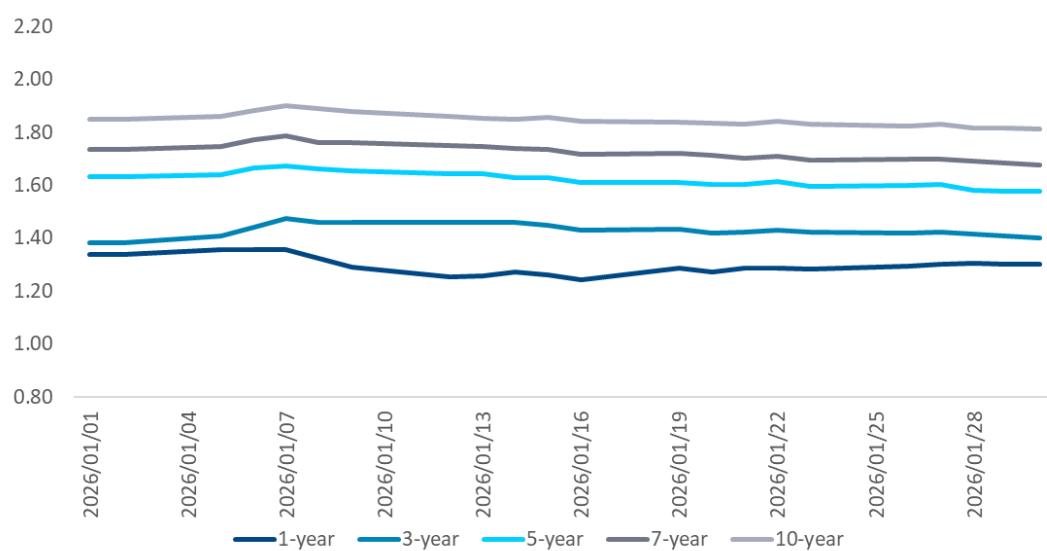
In the past week, the RMB has appreciated. As of January 30, the RMB/USD middle rate closed at 6.9678, down 251.0bp from last Friday. The RMB/EUR middle rate closed at 8.3244, up 1344.0bp from last Friday. The USD Index closed at 96.991, down 0.61% from last Friday.

Figure 1: RMB exchange rate


Sources: CCXAP research

Interest Rate: Chinese Government Bond yields decreased; US Treasury yields fluctuated

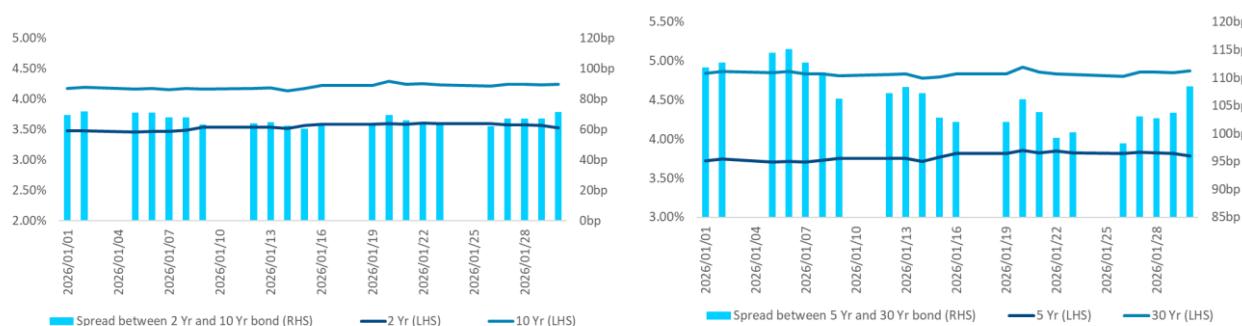
In the past week, China Government Bond yields generally decreased. As of January 30, the 1-year, 3-year, 5-year, 7-year, and 10-year China Government Bond yields were 1.2999%, 1.4014%, 1.5761%, 1.6759%, and 1.8112%, respectively. Compared to last Friday, the 1-year yield increased by 1.80bp, the 3-year yield decreased by 2.09bp, the 5-year yield decreased by 2.04bp, the 7-year yield decreased by 1.82bp, and the 10-year yield decreased by 1.86bp.

Figure 2: China Government Bond yields


Sources: CCXAP research

The announcement of the new Fed Chair candidates triggered market volatility, US Treasury yields showed mixed movements. As of January 30, the 2-year, 5-year, 10-year, and 30-year US treasury yields were 3.5224%, 3.7881%, 4.2355%, and 4.8725%, respectively. Compared to last Friday, the 2-year yield decreased by 7.16bp, the 5-year yield decreased by 3.64bp, the 10-year yield increased by 1.03bp, and the 30-year yield increased by 4.61bp. For US Treasury yield spreads, the spread between the 2-year and 10-year Treasury notes widened by 8.19bp to 71.31bp compared to last Friday, and the spread between the 5-year and 30-year Treasury bonds widened by 8.25bp to 108.44bp compared to last Friday.

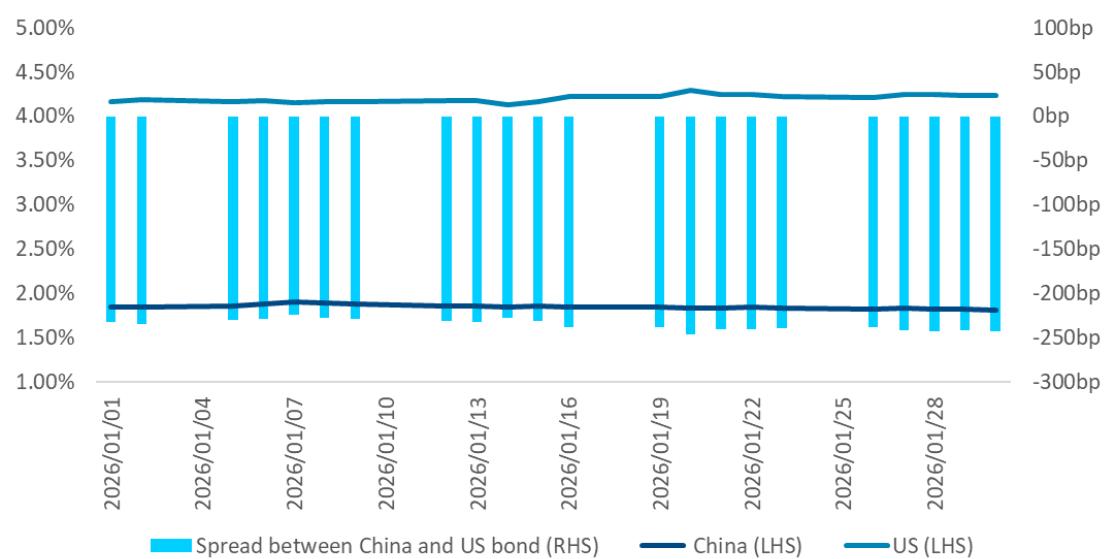
Figure 3: US Treasury yields and yield spreads



Sources: CCXAP research

As of January 30, the 10-year Treasury bond interest rate gap between China and the US was -242.4bp, narrowing by 2.9bp from last Friday and widening by 10.5bp from the beginning of the year.

Figure 4: Yield spread between 10-year note of China and US



Sources: CCXAP research



Primary Market: new issuance of Chinese offshore bonds increased

From January 26 to January 30, Chinese enterprises issued 43 new bonds in the offshore market, totaling about USD2.865 billion, an increase of 44.93% from last week. Among them, financial institutions were the main issuers, issuing a total of USD1.576 billion in bonds.

Table 1: New issuance of Chinese offshore bonds (20260126-20260130)

Announcement date	Obligor	Currency	Amount	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating	Issue Rating
2026/1/26	Bank of China Ltd/Hong Kong	USD	10	SOFR +45	2031/1/30	5	Banks	-/BBB/BBB	-/-
2026/1/26	China Securities International Finance Holding Co Ltd	USD	20	3.98	2026/10/30	274D	Financials	-/BBB+/BBB+	-/-
2026/1/26	GF Holdings Hong Kong Corp Ltd	USD	5	4.09	2026/7/30	183D	Financials	-/BBB/BBB	-/-
2026/1/26	GF Holdings Hong Kong Corp Ltd	USD	5	4.09	2026/7/30	183D	Financials	-/BBB/BBB	-/-
2026/1/26	GF Holdings Hong Kong Corp Ltd	USD	5	4.09	2026/7/30	183D	Financials	-/BBB/BBB	-/-
2026/1/26	GF Holdings Hong Kong Corp Ltd	USD	3	4.07	2026/4/26	88D	Financials	-/BBB/BBB	-/-
2026/1/26	GF Holdings Hong Kong Corp Ltd	HKD	10	3.17	2026/11/3	274D	Financials	-/BBB+/BBB+	-/-
2026/1/26	Huatai Securities Co Ltd	CNY	2,100	1.9	2028/2/3	2	Financials	Baa1/BBB+/-	-/BBB+/-
2026/1/26	Huatai Securities Co Ltd	HKD	3,100	2.95	2028/2/3	2	Financials	Baa1/BBB+/-	-/BBB+/-
2026/1/27	China Securities International Finance Holding Co Ltd	CNY	374	2.05	2027/2/3	1	Financials	-/BBB+/BBB+	-/-
2026/1/27	CITIC Securities International Co Ltd	USD	1	--	2026/4/28	88D	Financials	-/BBB+/-	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	USD	20	4.09	2026/10/31	274D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	USD	30	4.08	2026/5/31	121D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.06	2026/4/30	91D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.06	2026/4/27	88D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.04	2026/4/1	62D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.01	2026/3/10	40D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.04	2026/4/1	62D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	7	3.01	2026/3/10	40D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	165	3.04	2026/3/29	58D	Financials	-/BBB/BBB	-/-
2026/1/27	GF Holdings Hong Kong Corp Ltd	HKD	200	3.06	2026/4/30	91D	Financials	-/BBB/BBB	-/-
2026/1/27	Yancheng Dafeng Haicheng Industrial Development Co Ltd	EUR	17	2.6	2029/1/30	3	Chengtou	-/-	-/-
2026/1/27	Zoucheng Limin Construction Development Group Co Ltd	CNY	231	6.7	2029/1/29	3	Chengtou	-/-	-/-
2026/1/28	Chongqing Xinshuangquan Urban Construction And Development Co Ltd	USD	105	4	2029/2/4	3	Chengtou	-/-	-/-
2026/1/28	CITIC Securities International Co Ltd	CNY	200	--	2029/1/18	3	Financials	-/BBB+/-	-/-
2026/1/28	Dongtai Urban Construction Investment Development Group Co Ltd	USD	44	4.8	2029/2/3	3	Chengtou	-/-	-/-

2026/1/28	GF Holdings Hong Kong Corp Ltd	USD	6	4.09	2026/8/1	183D	Financials	-/BBB/BBB	-/-
2026/1/28	GF Holdings Hong Kong Corp Ltd	USD	5	4.07	2026/5/4	88D	Financials	-/BBB/BBB	-/-
2026/1/28	Shenwan Hongyuan HK Ltd	USD	15	4	2026/5/4	91D	Financials	-/BBB/-	-/-
2026/1/28	Shenwan Hongyuan HK Ltd	HKD	100	3.1	2026/5/5	91D	Financials	-/BBB/-	-/-
2026/1/28	Zhejiang Provincial Seaport Investment and Operation Group Co., Ltd.	CNY	3,500	2.3	2031/2/4	5	Industrials	A1/-/A	A2/-/
2026/1/29	CCB International Holdings Ltd	CNY	80	1.94	2026/8/7	183D	Financials	-/-/A	-/-
2026/1/29	China Securities International Finance Holding Co Ltd	USD	49	SOFR +40	2027/2/3	1	Financials	-/BBB+/BBB+	-/-
2026/1/29	Dalian Wanda Commercial Management Group Co., Ltd.	USD	360	12.75	2028/2/5	2	Real Estate	Ca/-/CC	-/-
2026/1/29	GF Holdings Hong Kong Corp Ltd	USD	20	4.07	2026/5/4	88D	Financials	-/BBB/BBB	-/-
2026/1/29	GF Holdings Hong Kong Corp Ltd	USD	80	4.07	2026/5/4	88D	Financials	-/BBB/BBB	-/-
2026/1/30	China Overseas Grand Oceans Group Ltd	CNY	1,300	3.2	2029/2/6	3	Financials	-/BBB-/BBB	-/-
2026/1/30	China Securities International Finance Holding Co Ltd	USD	6	3.92	2027/2/4	1	Financials	-/BBB+/BBB+	-/-
2026/1/30	CITIC Securities International Co Ltd	CNY	10	2	2027/2/5	358D	Financials	-/BBB+/-	-/-
2026/1/30	GF Holdings Hong Kong Corp Ltd	USD	70	4.07	2026/5/5	88D	Financials	-/BBB/BBB	-/-
2026/1/30	GF Holdings Hong Kong Corp Ltd	USD	50	4.09	2026/8/11	183D	Financials	-/BBB/BBB	-/-
2026/1/30	Industrial & Commercial Bank of China Ltd/Dubai DIFC	CNY	1,000	1.85	2028/2/11	2	Banks	A1/-/	-/-
2026/1/30	Yuexiu Property Co Ltd	CNY	1,740	3.4	2029/2/6	3	Real Estate	Ba1/BBB-/BBB-	-/-

Sources: CCXAP research

Secondary Market: Return on Chinese USD bonds increased

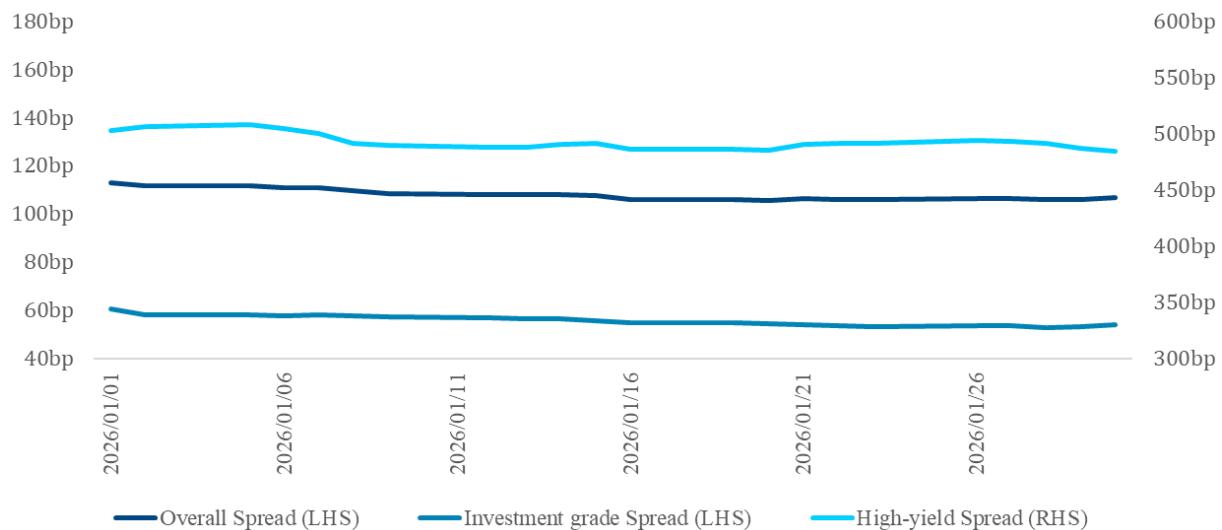
As of January 30, the year-to-date return¹ of Chinese USD bonds increased by 11.0bp to 0.42% compared to last Friday, among which the return rate of investment-grade bonds increased by 9.0bp to 0.33%, while the return rate of high-yield bonds increased by 30.0bp to 1.23%. By industry, the return rate of non-financial bonds was 0.29%, up 7.0bp from last Friday. The return rate of financial bonds was 0.28%, up 7.0bp. The return rate of real estate was 0.66%, down 3.0bp. The return rate of Chengtou was 0.57%, up 16.0bp.

¹ Year-to-date return measures the return since January 1, 2026

Figure 5: YTD return on Markit iBoxx Chinese USD bond index


Sources: CCXAP research

As of January 30, the spread of Chinese USD bonds widened by 0.7bp to 106.45bp from last Friday, among which the spread of investment-grade bonds widened by 0.7bp to 53.95bp, and the spread of high-yield bonds narrowed by 6.4bp to 484.29bp.

Figure 6: Yield Spreads of Bloomberg Barclays Chinese USD bond index


Sources: CCXAP research

From January 26 to January 30, the following table shows the 10 bonds with the largest yield increases. Among them, the yield of China Jinmao Holdings Group Limited changed the most.

Table 2: Chinese offshore bonds with largest increase in yield (20260126-20260130)

Security Name	Obligor	Last Price (USD)	Years to Maturity	Yield to Convention	Yield Change
CHJMAO 6 PERP	China Jinmao Holdings Group Limited	100.125	PERP	-8.732	1.219M
EHICAR 7 09/21/26	eHi Car Rental Service Co., Ltd.	72.625	0.63	67.088	1.0926M
EHICAR 12 09/26/27	eHi Car Rental Service Co., Ltd.	61.87	1.64	48.01	128.3
KFCTIG 8 1/2 02/05/26	Kaifeng Cultural Tourism Investment Group Co., Ltd.	100.007	0.005	5.737	121
CWAHK 4.85 05/18/26	China Water Group Limited	99.901	0.28	5.148	88.7

SHUION 5 1/2 06/29/26	Shui On Land Limited	100.351	0.4	3.132	65
TIANFS 6 1/2 03/05/26	Tianfeng Securities Co., Ltd.	100.264	0.08	3.236	54.3
QDJZWD 7.9 06/04/27	Qingdao Jiaozhou Bay Development Group Co., Ltd.	101.706	1.33	6.529	53.9
CHPWNC 3.08 PERP	China Power Construction Corporation Limited	100.004	PERP	3.022	42.4
QDJZWD 5 1/2 09/26/26	Qingdao Jiaozhou Bay Development Group Co., Ltd.	100.833	0.64	4.16	40.6

Note: M in the rate of return change represents 1000; all defaulting entities have been excluded

Sources: CCXAP research

Rating Actions: CCXAP assigned credit rating to 1 Chinese entity

On January 28, CCXAP assigned first-time long-term credit rating of A_g to China Overseas Grand Oceans Group Limited (“COGO”), with stable outlook.

Table 3: CCXAP's rating actions of cross-border issuer (20260126-20260130)

Rating Date	Obligor	Entity Rating	Rating Rational
2026/1/28	COGO	A _g	The rating reflects the Company's (1) strong market position and high brand recognition in its core markets; (2) prudent financial management and good liquidity profile; and (3) robust financing channels and financial flexibility. However, the rating is constrained by the Company's (1) sensitivity to the persistently weak property market in Mainland China; (2) focus on lower-tier cities, resulting in persistent destocking and asset impairment risks; and (3) ongoing pressure on profitability.

Source: CCXAP research

From January 26 to January 30, rating agencies took positive rating actions on 2 Chinese issuers.

Table 4: Rating actions of cross-border issuer (20260126-20260130)

Entity	Sector	Latest Rating			Last Rating			Rating Agency	Reason of Change Outlook
		Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
Offshore Rating :									
Shandong Shouguang Jinxin Investment Development Holding Group Co., Ltd.	Chengt ou	BBB	Stable	2026/01/27	BBB-	Stable	2025/01/22	Lianhe	The company's contribution to regional industrial development has increased, further enhancing its strategic importance.
New China Life Insurance Co., Ltd.	Financials	A2	Stable	2026/01/27	A2	NEG	2023/12/07	Moody's	The company possesses a solid market brand, a sound capital position, and strong profitability.

Source: CCXAP research

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